

MRKT 4160

New Business Development

Global Culture & Business Etiquette

Assignment

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Basic Cultural Values

Population Breakdown

Sources: [Kwintessential. \(n.d.\). Iran - Language, Culture, Customs and Etiquette. Retrieved November 1, 2013, from http://www.kwintessential.co.uk/resources/global-etiquette/iran-country-profile.html](http://www.kwintessential.co.uk/resources/global-etiquette/iran-country-profile.html)

Ethnic Make-up: Persian 51%, Azeri 24%, Gilaki and Mazandarani 8%, Kurd 7%, Arab 3%, Lur 2%, Baloochi 2%, Turkmen 2%, other 1%

Religions: Shi'a Muslim 89%, Sunni Muslim 9%, Zoroastrian, Jewish, Christian, and Baha'i 2%

Structure

Source: [Kwintessential. \(n.d.\). Iran - Language, Culture, Customs and Etiquette. Retrieved November 1, 2013, from http://www.kwintessential.co.uk/resources/global-etiquette/iran-country-profile.html](http://www.kwintessential.co.uk/resources/global-etiquette/iran-country-profile.html)

Business and societal structure is Hierarchical. Business cards are only exchanged by senior-level people. Since rank and position are very important, people make sure business cards include their title. Have one side of the card translated into Farsi. People must present their cards so the Farsi side faces the recipient.

They address the Iranian business associates by their title and their surname. The title "doktor" is used for both M.D.s and Ph.D.s. Engineers are called "mohandis". These titles are preceded by the formal titles listed below and are used with the surname.

The title "agha" (sir) is used when addressing men. It may be used before or after the first name. The phrase "agha-yeh" is put before a surname.

The title "khanoom" (madam) is used when addressing women. It may be used before or after the first name. The phrase "khanom-eh" is used before the surname.

People must wait to be invited before moving to first names. Only close friends and family use this informal form of address.

Ways of Thinking

Sources: [Iranian Customs and Doing Business Tips. \(2010, March 29\). Globerove. Retrieved November 1, 2013, from http://globerove.com/iran/iranian-customs-and-doing-business-tips/533](http://globerove.com/iran/iranian-customs-and-doing-business-tips/533)

[Kwintessential. \(n.d.\). Iran - Language, Culture, Customs and Etiquette. Retrieved November 1, 2013, from http://www.kwintessential.co.uk/resources/global-etiquette/iran-country-profile.html](http://www.kwintessential.co.uk/resources/global-etiquette/iran-country-profile.html)

They feel relationships take priority in business. If you look at your watch it is considered rude, and you should not allocate a specific time duration for a business meeting. Moreover, business should not be over spoken about as it will appear that the other party is trying to scam them. A lot of non-verbal communication – don't directly say no as much, entertain the idea though not into it.

Relationship Orientated (Source: Personal Interview) Iranian company members meet with senior members of other companies once they feel they are trustworthy and worthwhile strategically; focused on personal not a transactional only . Look at long term and interested in knowing more about the people, conversations are close and personal. Business is not a focus during the really religious times of the year. Women are included in meets but only speak if they are involved in the project directly. Iranians spend a lot of time socially partying, spending hours with one another.

Intense Negotiations

Source: [Kwintessential. \(n.d.\). Iran - Language, Culture, Customs and Etiquette. Retrieved November 1, 2013, from http://www.kwintessential.co.uk/resources/global-etiquette/iran-country-profile.html](http://www.kwintessential.co.uk/resources/global-etiquette/iran-country-profile.html)

Focused on the belief that concessions are necessary in order to get a good deal. However, Iranians don't like being pressured into anything. Negotiations take time and are a more social practice not quick decisive. Any type of scare or ultimatum tactics don't work for Iranian business.

Right Thing to Do

Sources: [Iran: Business Dress. \(2006, December 5\). - ExecutivePlanet.com. Retrieved November 1, 2013, from http://www.executiveplanet.com/index.php?title=Iran: Business Dress](http://www.executiveplanet.com/index.php?title=Iran: Business Dress)

It is customary to talk about the niceties, family, and health before initiating the business conversation. Jumping right into business talks is considered wrong and frowned upon. It is important that Iranians wait for the other side to move on to business. They find that changing to business negotiations will infringe on their beliefs. Iranians like to be complimented on their country and their way of life. It is important to make them feel proud of their society and culture as it is considered good business practice. Time is also important to the Iranian people. Wasting the Iranian people's time is frowned upon and not considered good practice. They don't like to be put under time pressure so it is important that time ample time is provided when conducting business.

Iranians judge people on appearances so it important and appropriate to stay in a high standard hotel. It is frowned upon if the perception of someone is low. Moreover, it is important that individuals arrive for meetings on time. Iranians don't like to wait for individuals in a business meeting so it is important to arrive on time. When doing business with Iranians, do not try to interrupt a meeting or try to shorten it. Expect long meetings with them as they generally include many interruptions.

Taboos

Source: [Culture Crossing. \(n.d.\). Culture Crossing. Retrieved November 1, 2013, from http://www.culturecrossing.net/basics_business_student_details.php?Id=14&CID=98](http://www.culturecrossing.net/basics_business_student_details.php?Id=14&CID=98)

[Iranian Customs and Doing Business Tips. \(2010, March 29\). Globerove. Retrieved November 1, 2013, from http://globerove.com/iran/iranian-customs-and-doing-business-tips/533](http://globerove.com/iran/iranian-customs-and-doing-business-tips/533)

- Giving someone the middle finger is a rude gesture.
- When in public do not wear anything revealing that is anything above your ankles or wrists, especially for women. Wearing a scarf over your head along with a pant suit is okay.
- Wearing shorts may get you in trouble so it's best to avoid wearing them.
- Avoid any public displays of affection between genders. Holding hands in public or dating is not usually allowed.
- Talking about issues such as divorce is not acceptable and getting a divorce is extremely taboo.
- It is inappropriate to ask questions about an Iranian's wife or other female relatives.

Time of Year to Visit

Sources: [Iran Tender Company : Iranian International Tenders, Projects, Free Business in Iran, مناقصات سپاريت و ايران . هلايروزه و مناقصات , Iran Exhibitions, مناقصه , Middle east tenders and CIS asian tenders, ايران ک شور خاورميانه Bids, ايران , Iran Tradepoint, Online marketplace, Offers, Trades , Business Oppurtunity, ITC, Tehran Tenders, Tejerat, Business, Tradepoint., \(n.d.\). Iran Tender Company : Iranian International Tenders, Projects, Free Business in Iran, مناقصات سپاريت و ايران . هلايروزه و مناقصات , Middle east tenders and CIS asian tenders, ايران ک شور خاورميانه Bids, ايران , Iran Tradepoint, Online marketplace, Offers, Trades , Business Oppurtunity, ITC, Tehran Tenders, Tejerat, Business, Tradepoint., Retrieved November 1, 2013, from http://www.iran-tender.com/english/etiquette.asp](http://www.iran-tender.com/english/etiquette.asp)

Generally, Iran can be visited anytime of the year. However, there are a few exceptions to when not to visit Iran.

Not to Visit

Source: [Iran Tender Company : Iranian International Tenders, Projects, Free Business in Iran, مناقصات سپاريت و ايران . هلايروزه و مناقصات , Iran Exhibitions, مناقصه , Middle east tenders and CIS asian tenders, ايران ک شور خاورميانه Bids, ايران , Iran Tradepoint, Online marketplace, Offers, Trades , Business Oppurtunity, ITC, Tehran Tenders, Tejerat, Business, Tradepoint., \(n.d.\). Iran Tender Company : Iranian International Tenders, Projects, Free Business in Iran, مناقصات سپاريت و ايران . هلايروزه و مناقصات , Middle east tenders and CIS asian tenders, ايران ک شور خاورميانه Bids, ايران , Iran Tradepoint, Online marketplace, Offers, Trades , Business Oppurtunity, ITC, Tehran Tenders, Tejerat, Business, Tradepoint., Retrieved November 1, 2013, from http://www.iran-tender.com/english/etiquette.asp](http://www.iran-tender.com/english/etiquette.asp)

[Free Business in Iran, مناقات صاا سااa](http://www.irantrade.com/english/etiquette.asp)

Business not a focus during the really religious times of the year. Things happen more slowly during Ramadan. Many businesses operate on a reduced schedule. The period to avoid going to Iran for business is the 21st of March. This is the Iranian New Year. All businesses, most shops, will close for 2-3 weeks. Other times to avoid are the month of fasting (Ramadan). Muharram is another holiday to keep in mind which is around the middle to the end of January.

Gifting Practice

Source: [Iran Tender Company : Iranian International Tenders, Projects, Free Business in Iran, مناقات صاا سااa](http://www.irantrade.com/english/etiquette.asp)

Another issue worth talking about is gifts: Gift giving is more of a social rather than business protocol. You must be careful not to be judged as giving a bribe. So it is best to avoid expensive gifts. Something that represents your home country is always best. If presents are being given to loved ones, it is important that they are wrapped when presented otherwise it is considered an insult.

Entertainment Practice

Source: [Iran Tender Company : Iranian International Tenders, Projects, Free Business in Iran, مناقات صاا ساااااااااااااااااااااااااااااااااااااااa](http://www.irantrade.com/english/etiquette.asp)

Business entertainment will take place either in restaurants or at functions. Food is the main business entertainment; it is a time for relaxing and engaging in stimulating conversation. It is important to note that the host pays for the meal. Bill sharing is not common in Iran. If the opposite party does not offer to pay, it is considered frowned upon as well.

Implication of Alcohol

Sources: [Iran Tender Company : Iranian International Tenders, Projects, Free Business in Iran](#), مناقصات سایت و ایران , هاپروزه و مناقصات , Iran Exhibitions, مناقصه , Middle east tenders and CIS asian tenders, ایران ک شور , ایران , Bids, خاورمیانه , Iran Tradepoint, Online marketplace, Offers, Trades , Business Oppurtunity, ITC, Tehran Tenders, Tejerat, Business, Tradepoint., (n.d.). [Iran Tender Company : Iranian International Tenders, Projects, Free Business in Iran](#), مناقصات سایت و ایران , Middle east tenders and CIS asian tenders, ایران ک شور , Iran Exhibitions, مناقصه , Bids, ایران , Iran Tradepoint, Online marketplace, Offers, Trades , Business Oppurtunity, ITC, Tehran Tenders, Tejerat, Business, Tradepoint., Retrieved November 1, 2013, from <http://www.iran tender.com/english/etiquette.asp>

[Perceptions and Attitudes to Alcohol across Cultures. \(n.d.\). Cross Cultural Communication Skills and Language Training Courses.](#) Retrieved November 1, 2013, from http://www.communicaid.com/cross-cultural-training/blog/perceptions-and-attitudes-to-alcohol-across-cultures/#.UnHh_k3tLc

When everyone signs the proposal they indulge in pastries and sweets with tea. Alcohol is not allowed at all in Iran. Non- Muslim people can be served alcohol, but it cannot be served in public. It is against the Muslim religion to consume alcohol so it is not accepted as gift by Iranians.

Interpretation of Ethics

Sources: [Kwintessential. \(n.d.\). Iran - Language, Culture, Customs and Etiquette.](#) Retrieved November 1, 2013, from <http://www.kwintessential.co.uk/resources/global-etiquette/iran-country-profile.html>

[Perceptions and Attitudes to Alcohol across Cultures. \(n.d.\). Cross Cultural Communication Skills and Language Training Courses.](#) Retrieved November 1, 2013, from http://www.communicaid.com/cross-cultural-training/blog/perceptions-and-attitudes-to-alcohol-across-cultures/#.UnHh_k3tLc

Z. Nasiri (personal communication, November 1, 2013)

Bribery: Iranians give gifts at various social occasions such as returning from a trip or if someone achieves a major success in their personal or business life. Gift giving is okay but no alcohol and there is the worry of it looking like a bribe unless socially acceptable in certain settings. In Iran, anyone bringing in alcohol could be arrested and prosecuted.

They have a middle man in every negotiation or business proposition who will discuss the company's position. The middle man ends up getting money from both sides. He works as a double sided agent and this is widely used in Iranian business. The agent does not always act in your best interest as money is involved and will work for his own benefit.

Basic Dress Code for Men and Women

Females

[Iran Trade Company : Iranian International Tenders, Projects, Free Business in Iran](http://www.irantrade.com/english/etiquette.asp), مناقصات سپات و ایران، هاپ روزه و مناقصات، Iran Exhibitions، مناقصه، Middle east tenders and CIS asian tenders، ایران ک شور خاورمیانه Bids، ایران، Iran Tradepoint, Online marketplace, Offers, Trades , Business Oppurtunity, ITC, Tehran Tenders, Tejerat, Business, Tradepoint., (n.d.). *Iran Tender Company : Iranian International Tenders, Projects, Free Business in Iran*, مناقصات سپات و ایران، هاپ روزه و مناقصات، Middle east tenders and CIS asian tenders، مناقصه، ایران، Iran Exhibitions، مناقصه، Middle east tenders and CIS asian tenders، مناقصه، ایران، Iran Tradepoint, Online marketplace, Offers, Trades , Business Oppurtunity, ITC, Tehran Tenders, Tejerat, Business, Tradepoint., Retrieved November 1, 2013, from <http://www.irantrade.com/english/etiquette.asp>

When meeting someone, always shake hands. As a man, you should wait to see if women extend their hands; if they do not, then simply nod your head and smile. This is different for family and friends who will kiss each other on the cheeks. It is also important to learn how to greet individuals. The most common greeting in Iran is 'salaam' which means hello. Simply saying 'salaam' when meeting someone is a sign of respect. One would also say 'salaam' when departing but occasionally Iranians will use 'koha-hafez' as a departing greet as well.

Punctuality in Iran is rare. Those who are punctual when meeting up with a family member or business appointments are well appreciated. Private organizations seem to be more organized and able to keep appointments, responsibilities of government bodies mean an important issue needs to be addressed first seeing you. Appointments in Iran should be made in advance in writing as this ensures all parties are in compliance with the scheduled meeting time. Iranians prefer using this method as it allows more freedom and a stronger relationship building technique.

Hours of Business Operation Due to Religious Practice

Sources: [Iran Tender Company : Iranian International Tenders, Projects, Free Business in Iran](http://www.irantrade.com/english/etiquette.asp), مناقصات سپات و ایران، هاپ روزه و مناقصات، Iran Exhibitions، مناقصه، Middle east tenders and CIS asian tenders، ایران ک شور خاورمیانه Bids، ایران، Iran Tradepoint, Online marketplace, Offers, Trades , Business Oppurtunity, ITC, Tehran Tenders, Tejerat, Business, Tradepoint., (n.d.). *Iran Tender Company : Iranian International Tenders, Projects, Free Business in Iran*, مناقصات سپات و ایران، هاپ روزه و مناقصات، Middle east tenders and CIS asian tenders، مناقصه، ایران، Iran Exhibitions، مناقصه، Middle east tenders and CIS asian tenders، مناقصه، ایران، Iran Tradepoint, Online marketplace, Offers, Trades , Business Oppurtunity, ITC, Tehran Tenders, Tejerat, Business, Tradepoint., Retrieved November 1, 2013, from <http://www.irantrade.com/english/etiquette.asp>

The formal business hours in Iran are Saturday to Thursday 8:30 am to 4 pm. The standard lunch hours are scheduled at around 12:30 pm. Friday's are holidays in Iran so those who wish to plan business meetings will avoid using Fridays. Special holidays such as Ramadan are sacred religious months in Iran. Those who are planning on conducting meetings or business during Ramadan should plan ahead and reschedule.

Business Rituals/ Superstitions

Source: Z. Nasiri (personal communication, November 1, 2013)

Not all Iranians are very religious; however, those who are conduct a prayer or read a passage from the Quran before any business meeting is conducting, primarily if they are partaking in a negotiation or signing a contract. This prayer may take place in the presence of outside business personnel. If the third party refuses to partake in the ritual or remain present, it is considered a great offense and may jeopardize the future of the business relationship.

A Non-task sounding

Source: [Kwintessential. \(n.d.\). Iran - Language, Culture, Customs and Etiquette. Retrieved November 1, 2013, from http://www.kwintessential.co.uk/resources/global-etiquette/iran-country-profile.html](http://www.kwintessential.co.uk/resources/global-etiquette/iran-country-profile.html)

Business in Iran requires a long courting period. Firstly, a meeting with an Iranian company needs to be scheduled 4-6 weeks in advance with a confirmation of the meeting done via a phone call one week in advance. When scheduling a meeting with an Iranian, one should avoid scheduling anything during the Ramazan (Ramadan) period, as the need to fast would preclude your business colleagues from offering you hospitality, which is done by enjoying tea together.

In Iran, the first meeting is generally not business focused. The aim of the meeting is to build a relationship and enable both companies to become well acquainted. During this time, the meeting is very formal, and both parties will address each other with their professional titles. Rushing this meeting or looking at ones watch, is considered a great offence, and will typically result in the Iranian party not trusting you.

Information Exchange

Source: Z. Nasiri (personal communication, November 1, 2013)

Professional business negotiations (both local and international) are to be done with a witness and/or a mediator present. This witness will moreover, sign the agreement to acknowledge fair business practice. The witness used in Iranian business is required to be a senior or older man, in the exception where a woman is required to be a witness; she will need to be accompanied by another female witness.

When the business associate responsible for partaking in a business deal is a woman, she will take with her a male figure from the company, who will speak on her behalf if tension arises. However, the only exception to this rule is in the event that the female figure is the President of the company or a woman of authority. In this situation, she will be able to handle a business negotiation alone with a witness.

Source: [Kwintessential. \(n.d.\). Iran - Language, Culture, Customs and Etiquette. Retrieved November 1, 2013, from http://www.kwintessential.co.uk/resources/global-etiquette/iran-country-profile.html](http://www.kwintessential.co.uk/resources/global-etiquette/iran-country-profile.html)

Companies in Iran are Hierarchical. Decisions are always made at the top of the company, either by a single person or a small council. However, the initial negotiations and meetings that the company partakes in may be conducted by the company's management, who will later report to the firm's authoritative figures.

Since rank and position are very significant in Iranian business, senior-level employees are solely permitted to exchange business cards. These cards are to be exchanged towards the end of a meeting and should contain information in both Farsi and English, with one's professional title included. When exchanging business cards, one should present it to the recipient with the Farsi (Primary language spoken in Iran) side, face up. Moreover, all written material exchanged should include information in Farsi and English.

During a negotiation or introduction meeting, one doing business in Iran should conduct themselves in a formal manner. It is considered disrespectful if you remove your suit jacket without permission, and moreover, if you appear fixated on time and rush a meeting, by constantly looking at your watch. If you do this, you will be considered untrustworthy and the likelihood of business continuing will be very slim. Iranians are a proud race, showing any sign of disrespect, including ignorance about their culture or business expectations will give you a disadvantage in pursuing any further business.

Means of Persuasion

Source: [Iranian Customs and Doing Business Tips. \(2010, March 29\). Globerove. Retrieved November 1, 2013, from http://globerove.com/iran/iranian-customs-and-doing-business-tips/533](http://globerove.com/iran/iranian-customs-and-doing-business-tips/533)

When conducting business in Iran, one should focus on establishing a relationship, and not the business. After suggesting one's proposal, they must not oversell it or elaborate too much, as the proposal will result in the Iranian party feeling the proposal is illegitimate and/or you are trying to "do them down".

Source: Z. Nasiri (personal communication, November 1, 2013)

The practice of bribery as a persuasion tool is widely used in Iran; however, stating the bribe explicitly is frowned upon as it goes against Sharia law. When persuading the Iranian party, an incentive or bribe is indicated when one states:

"This is something to sweeten the business relationship".

Whenever, the word "sweetness" is used, it is acknowledged as an "acceptable bribe".

Another form of persuasion is to be enduring. Whenever one praises an Iranian, or goes out of their way to make the business relationship more of a friendship, trust and reputability are increased. Both of which is highly significant in Iranian business.

Source: [Kwintessential. \(n.d.\). Iran - Language, Culture, Customs and Etiquette. Retrieved November 1, 2013, from http://www.kwintessential.co.uk/resources/global-etiquette/iran-country-profile.html](http://www.kwintessential.co.uk/resources/global-etiquette/iran-country-profile.html)

It takes time for Iranians to warm up towards foreign businessmen. Until then, they may appear somewhat still and very formal. It is in the introductory stage that one should establish a personal relationship as it will form the basis of business dealings. Decisions are made very slowly in Iran, pressurizing a person or utilizing high pressure tactics will work against you and make you seem untrustworthy. Moreover, Iranians are deliberate negotiators who can drive a hard bargain. A tactical bargaining method used by them is time; therefore, one should ensure that the Iranian company is unaware of their deadline or time pressure. In addition to time, another common strategy used for negotiation by an Iranian is "emotion". When bargaining, an Iran may display emotion, walk out of the meeting or threaten to terminate the relationship in an attempt to convince you to change your position.

Terms of Agreement

Source: [Kwintessential. \(n.d.\). *Iran - Language, Culture, Customs and Etiquette*. Retrieved November 1, 2013, from http://www.kwintessential.co.uk/resources/global-etiquette/iran-country-profile.html](http://www.kwintessential.co.uk/resources/global-etiquette/iran-country-profile.html)

Iranians prefer doing business with people they know and respect. Typically speaking, “who you know” is more important than what you know, thus it is important to network and establish contacts with reputable individuals and firms.

Business in Iran is practiced according to Sharia Law. Thus, it is considered illegal to require interest on a payment higher than that enforced by the Islamic Bank, as it is considered theft in God’s eyes.